



M/047/002

June 9, 2004

Mr. D. Wayne Hedberg  
Permit Supervisor  
Mineral Reclamation Program  
State of Utah  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Dear Wayne:

Enclosed is the Annual Report of Mining Operations for 2003 for our Seep Ridge Project. We're currently working on scheduling a site inspection with Paul Baker during the last week of June or first week of July.

Please let me know if you need any additional information.

Sincerely,

*Michael A. Schott*  
Michael A. Schott  
Vice President

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DIV. OF OIL, GAS & MINING

*Reviewed  
6/15/04  
MB*

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple - Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) Jan. 2003 To (mo./yr.) Dec. 2003
2. DOGM File Number (Mine No): M 047 002
3. Mine Name: Seep Ridge
4. Mineral(s) Mined (or permitted to mine): Shale Oil
5. Type of mine ☐ Surface Mine or ☒ Underground Mine
6. Legal Description (Location of Lands Affected):  
1/4, 1/4, 1/4, Section 2, Township 14S, Range 22E  
1/4, 1/4, 1/4, Section, Township, Range  
1/4, 1/4, 1/4, Section, Township, Range

7. Name of Operator or Company: Geokinetics Inc.
8. Permanent Street Address: One Riverway, Suite 2100  
City, State, Zip: Houston, Texas 77056  
Phone: 713-850-7600 Fax: 713-850-7330
9. Company Representative (or designated operator):  
Name: Michael A. Schott  
Title: Vice President  
Business Address: One Riverway, Suite 2100  
City, State, Zip: Houston, Texas 77056  
Phone: 713-850-7600 Fax: 713-850-7330  
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☐ No ☒
2. If no - what was the last year of activity? 1986
3. If yes - how much ore or mineral was mined? N/A

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4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.

N/A

5. How much **additional acreage** was disturbed during the past year? None

6. How much acreage was reclaimed during the past year? See Attached.

7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

See Attached.

8. What is the **total** disturbed acreage of entire project at years end? Approx 13.27 acres

9. Briefly summarize any mining and/or reclamation plans for the upcoming year.

See Attached.

**NOTE:** Section III., "Additional Information" applies only to large mining operations.

III. Additional Information - R647-4-121.2 and .3

1. The operator shall include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.
2. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

Michael A. Schott

Title of Operator:

Vice President

Signature of Operator:

Michael A. Schott

Date:

6-9-04

## **ATTACHMENT TO ANNUAL REPORT OF MINING OPERATIONS**

6. See Site Inspection Reports attached:  
5-23-03  
8-21-03
  
7. Site inspections were conducted on 5-23-03 and 8-21-03 with Mr. Paul Baker of DOGM to observe results of reclamation work performed during October, 2002, and to provide recommendations for subsequent requirements. Copies of Mr. Baker's reports are attached.
  
  
  
  
  
  
  
  
  
  
9. Continue to work with contractor to complete the recommendations outlined in Mr. Baker's reports of 5-23-03 and 8-21-03, monitor the results of the seeding conducted in the fall of 2002 and conduct site inspection with DOGM at appropriate times during 2004. Will also work with DOGM and SITLA to resolve any issues related to water rights.



# State of Utah

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DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt  
Governor

Robert L. Morgan  
Executive Director

Lowell P. Braxton  
Division Director

September 2, 2003

FROM: Paul Baker, Senior Reclamation Biologist   
TO: Minerals File  
SUBJECT: Site Inspection, Geokinetics, Seep Ridge Mine, S/047/002, Uintah County, Utah

Date of Inspection: August 21, 2003

Time of Inspection: 9:00 to about 11:00 a.m.

Conditions: Partly Cloudy, 70's

Participants: Mickey Schott, Geokinetics; Doug Jensen and Paul Baker, DOGM

## Purpose of Inspection:

In a previous inspection, I found what I thought might be the well in the trailer park area. We wanted to take a second look at this spot and see if we could determine conclusively that this was the well location. In this same prior inspection, I also noted a culvert that needed to be removed, and Mr. Schott wanted to see where this culvert was. In addition, I don't believe Mr. Schott had seen the results of the operator's revegetation efforts in 2002.

## Observations:

At the suspected well site, we found further evidence of the well but did not actually find the well casing or any pipe coming from the well. We found one 1½-inch steel pipe at ground level and attempted to force a long piece of metal in it. It went in about seven feet before stopping after which we could not force the metal down any more. We assumed we hit an elbow in the pipe. We also dug down around this pipe about two or three feet but saw no sign of the casing. In addition to the pressure switch box cover I found in the last inspection, there was a part of the actual switch. We found some electrical wire of the kind used to go down the side of a well casing to the pump. There was also some lumber which we suspect to have been part of the pump house.

During the previous inspection the generator and pump were running at the well near the Seep Ridge Road, but they were not running during this inspection. The fuel tank next to this well was full.

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September 2, 2003

We found the culvert that had been ripped, and it was in the same condition it was previously.

We looked at some of the areas that were ripped and seeded last year, and I found one seedling that had survived.

#### **Conclusions and Recommendations:**

The operator intends to have a backhoe come out and dig up the culvert. We suggested that at the same time, the backhoe operator could dig and try to find the well casing.

During the previous inspection, I took a GPS point at the place where I think the well might be. Attached to this report is a map showing this GPS location. I also plotted the location of the well based on the legal description in the associated water right and according to a map in the mine plan. Although the points appear very close on the map, the point plotted from the legal description and the point based on the mine plan map are actually about 80 feet apart.

The results of last year's revegetation efforts are disappointing, but they are not surprising considering the hot, dry summer. In spite of this, the site may meet revegetation criteria for release. The next time I am in the area and have enough time, I will bring maps of the disturbed area and take vegetation cover measurements.

PBB:jb

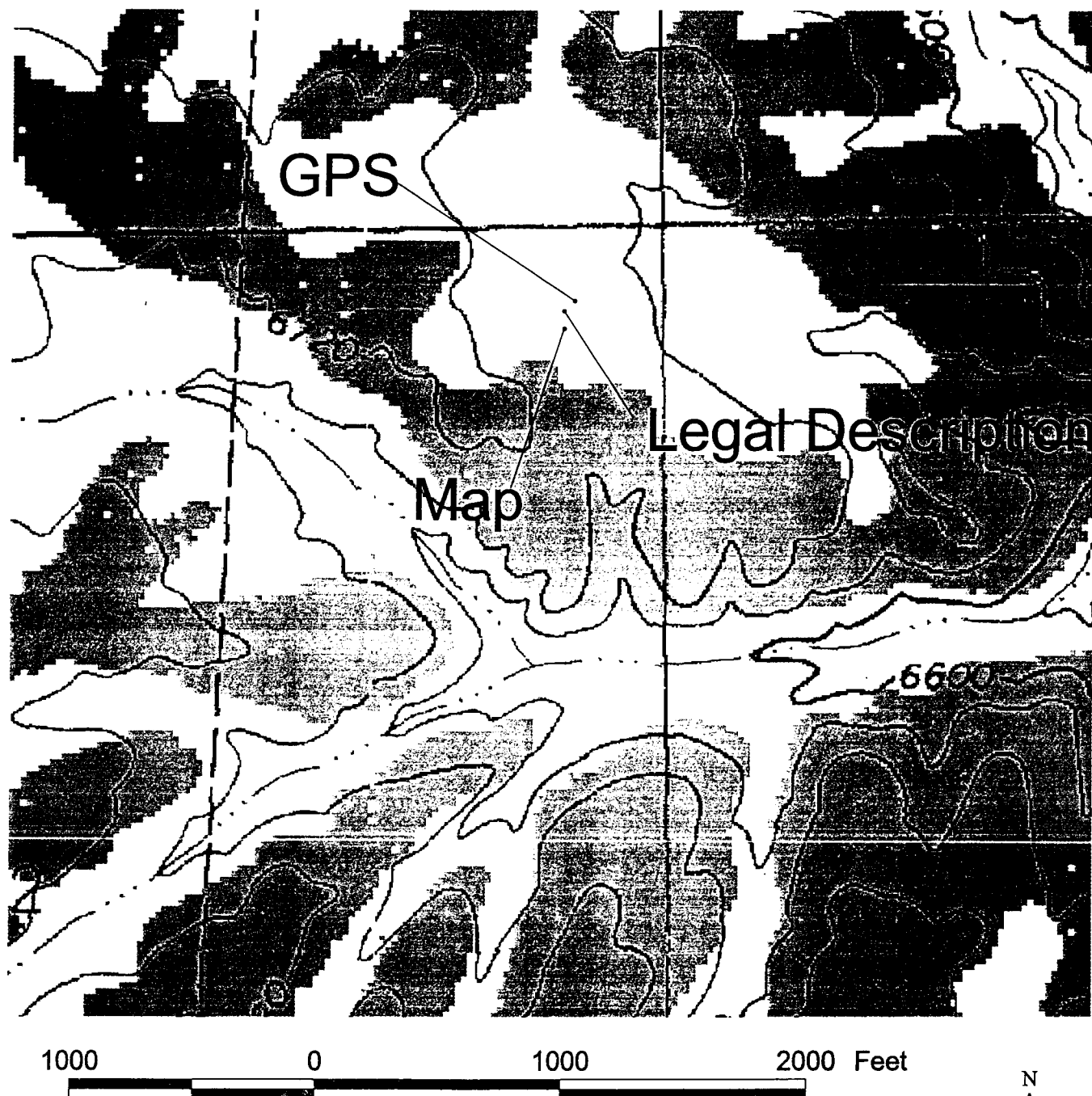
Attachment: Map

cc: John Blake, SITLA

Mickey Schott, Geokinetics

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# Seep Ridge Mine M/047/001



Possible locations of a water well in the Seep Ridge Trailer Park area. These locations are based on the water right legal description, measurements from a map in the mine plan, and GPS coordinates of the possible well location. Bates Knolls Quadrangle, Section 2, Township 14 South, Range 22 East, SLBM.



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June 19, 2003

TO: Minerals File

FROM: Paul Baker, Senior Reclamation Biologist 

RE: Site Inspection, Geokinetics, Seep Ridge Mine, M/047/002, Uintah County, Utah

Date of Inspection: May 23, 2003  
Time of Inspection: 5:30 to 6:20 p.m.  
Conditions: Mostly clear, 80's  
Participants: Paul Baker (DOGM)

## Purpose of Inspection:

I was in the area and wanted to see how successful last year's revegetation efforts had been. I also wanted to look one more time for any sign of the well in the trailer camp.

## Observations:

So far, revegetation success has been mixed. I found no seedlings in any of the areas where shale was ripped, but there were some in the other areas.

Although the equipment near the well looks pretty dilapidated, the generator was running when I arrived at the site. No one else was there, so I don't know how long it had been running or how long it ran after I left. I briefly opened one of the valves, and water came out, but although it appeared valves into the water tank were open, I could not tell that the tank had any water in it.

I followed the main road into the site that leads back toward the gas pipeline on the east side of the mine area. Last fall, the operator ripped part of this road, but it has become more driveable as people have continued to drive on it. There is one culvert in this road that was ripped open last fall although I don't believe it would have been apparent at the time. Since then, though, water has washed dirt into the rips in the culvert which has exposed the ripped up culvert (Photo 1). Although the operator had intended that this road be closed, the holes and the exposed metal from the culvert are hazards.

I next went to the trailer camp where there used to be a well. There are no records indicating this well was properly reclaimed, and one former employee indicated it may have just been covered up. I wanted to see if I could find any sign of the well near the center of the camp where maps indicate it was. I found a piece of exposed pipe, and, following the direction in which it lay, I found a

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Inspection Date: May 23, 2003; Report Date: June 19, 2003

place where dirt had been heaped and a rock slab was placed almost like a grave marker (Photo 2). Near this rock, I found a cover from a pressure regulator for a water tank. I did not have any tools to dig and see if I could find anything here, but I think there is a good chance the well was/is at this location. I took a GPS point, and the UTM coordinates are 636,134 East, 4,388,246 North (see attached map). Other than this marker, this is a fairly non-descript point.

**Recommendations:**

We will need to wait and see how well vegetation becomes established. In the areas where shale is exposed, I would not be inclined to have the operator seed them again even if nothing becomes established.

The operator should remove the culvert. It may not have been visible when the site was being reclaimed, but it creates problems in its current condition. Although it would be much easier to use something like a backhoe to dig it out, I think it could be done by hand.

The next time someone is at the site, they should dig in the area of where I think the well might be to see if there is any sign of the well. If the well is found, it will need to be either upgraded to where it could be used for a postmining land use or properly abandoned.

jb

cc: John Blake, SITLA  
Mickey Schott, Geokinetics

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ATTACHMENT

Inspection Date: May 23, 2003; Report Date: June 19, 2003

Photographs

M/047/002, Seep Ridge Mine, Geokinetics



Photo 1. Places where water has piped into the ripped culvert.

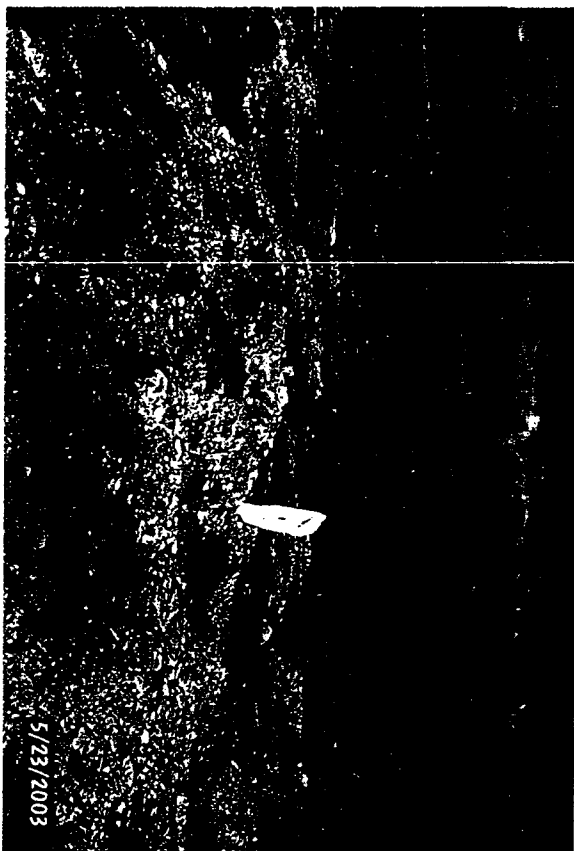
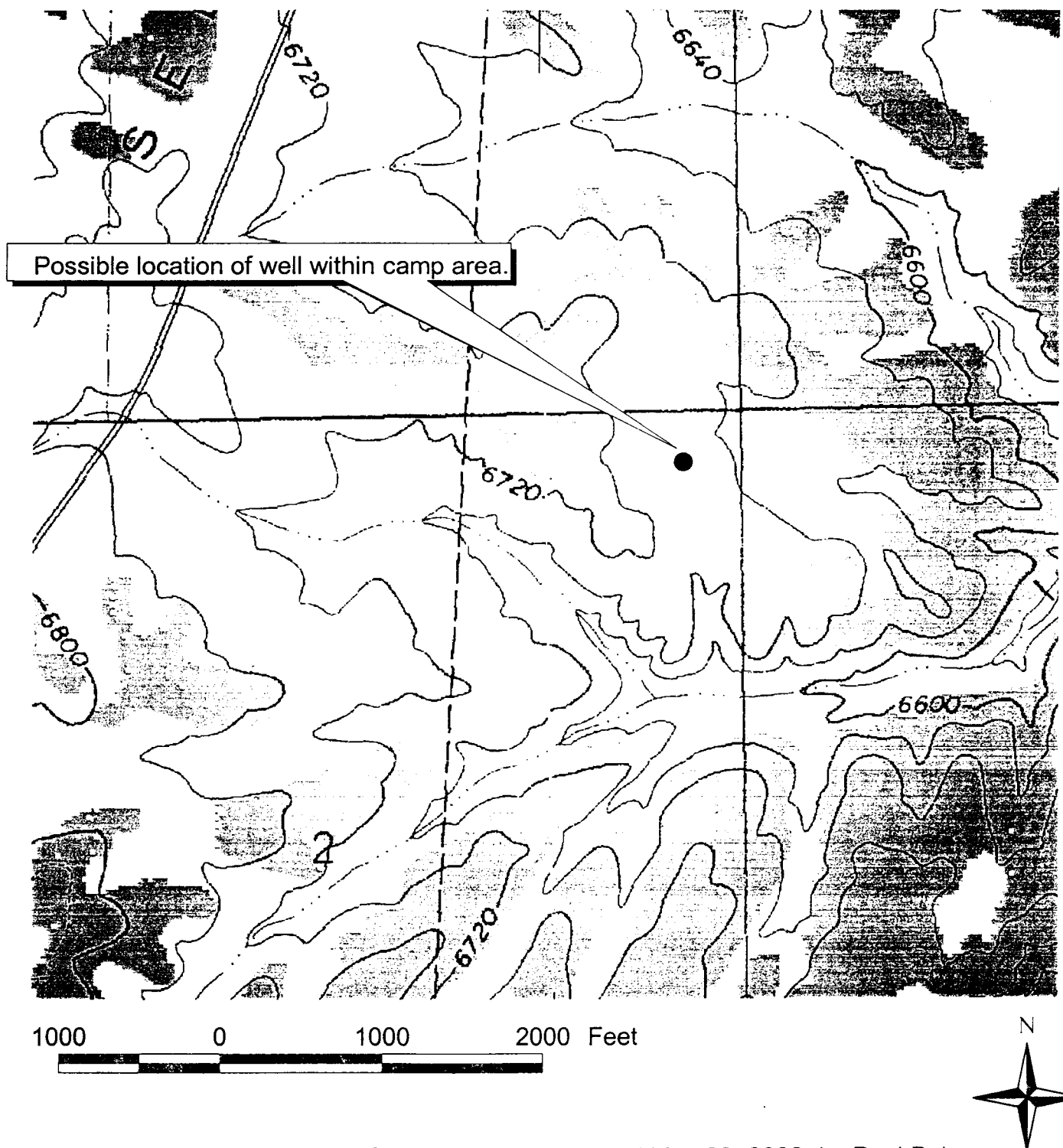


Photo 2. Possible well location in the trailer camp.

# Seep Ridge Mine S/047/002



Map prepared May 27, 2003, from GPS data gathered May 23, 2003, by Paul Baker.  
Bates Knolls Quadrangle, Section 2, Township 14 South, Range 22 East, SLBM.

Coordinates of the point are 636,134 East, 4,388,246 North.